

## Message Text

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PAGE 01 PORT O 00313 071300Z

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ACTION ARA-10

INFO OCT-01 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00 DOTE-00

EB-07 INR-07 NSAE-00 RSC-01 FAA-00 SS-15 NSC-05 PA-01

USIA-06 PRS-01 SP-02 EUR-12 TRSE-00 OMB-01 FRB-03

XMB-02 CIEP-01 /077 W

----- 067125

R 071234Z FEB 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 7376

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

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E.O. 11652: N/A

TAGS: EAIR, TD, XL

SUBJ: LIAT: TRINIDAD MEETING INCONCLUSIVE

REF: BRIDGETOWN 126; POS 206; AND PREVIOUS

BEGIN UNCLASSIFIED

1. THE OFT-POSTPONED CARIBBEAN COMMUNITY MINISTERIAL MEETING TO DISCUSS THE FUTURE OF LIAT (1974) LTD. WAS HELD IN TRINIDAD FEBRUARY 3-4, AND ATTENDED BY REPRESENTATIVES OF THE CDB AND ALL CARICOM MEMBERS (EXCEPT BELIZE). ACCORDING TO PRESS REPORTS, TOPICS AT THE MEETING INCLUDED ALLOCATION OF SEATS ON THE BOARD OF DIRECTORS, SECURITY FOR THE DESIRED CDB LOAN, RETIREMENT OF THE CONTROVERSIAL VENEZUELAN LOAN, CONCESSIONS WITH REGARD TO LANDING FEES, AND CONSIDERATION OF CANADIAN REPORTS. THE LDC'S PROPOSED THAT THE TRINIDAD GOVERNMENT HOLD 24 PERCENT EQUITY IN THE NEW COMPANY, WITH BARBADOS 15 PERCENT AND JAMAICA AND GUYANA LIMITED OFFICIAL USE

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A TOTAL OF 10 PERCENT, LEAVING 51 PERCENT CONTROL WITH

THE LDC'S. ST. KITTS DEPUTY PREMIER SOUTHWELL TOLD THE PRESS, HOWEVER, THAT HIS GOVERNMENT DID NOT AGREE WITH THE MAJORITY VIEW THAT THE LDC'S SHOULD HAVE CONTROLLING INTEREST IN THE AIRLINE. OTHER STORIES ABOUT THE MEETINGS STATED THAT THE CONTROVERSIAL VENEZUELAN LOAN IS FOR A FIXED TERM OF SIX MONTHS, WITH AN INTEREST RATE OF 12 PERCENT, PLUS A 2 PERCENT SERVICE FEE.

2. AT THE END OF THE MEETING, THE CHIEF OF THE TRINIDAD DELEGATION--MINISTER OF INDUSTRY AND COMMERCE ERROL MAHABIR--REPORTEDLY TOLD THE OTHER DELEGATES THAT ALTHOUGH THE GOTT IS STILL UNWILLING TO COMMIT ITSELF TO EQUITY PARTICIPATION IN LIAT, HE WILL RECOMMEND TO THE CABINET THAT THE GOTT CONSIDER ASSISTANCE TO LIAT IN MEETING ITS IMMEDIATE CASH REQUIREMENTS. DELEGATES ALSO AGREED THAT THE CANADIAN CONSULTANTS SHOULD MAKE FURTHER STUDIES OVER THE NEXT EIGHT WEEKS, AND THAT ANOTHER MEETING WILL BE HELD IN APRIL TO MAKE "FINAL DECISIONS" ON THE AIRLINE'S STRUCTURE AND MANAGEMENT.  
END UNCLASSIFIED

3. COMMENT: PRESENCE OF GOTT FINANCE MINISTRY PERMANENT SECRETARY FRANK RAMPERSAD ON THE TRINIDAD DELEGATION SUGGESTS THAT THE GOTT MAY INDEED COME THROUGH WITH SOME SHORT-TERM ASSISTANCE FOR LIAT. IT REMAINS TO BE SEEN WHAT TYPE OF QUID PRO QUO THE GOTT WILL INSIST UPON, WITH THE MOST LIKELY PRICE GREATER CARICOM SUPPORT FOR BWIA AND PERHAPS AN EXPANDED INTRA-CARIBBEAN ROLE FOR THE TRINIDAD AIRLINE.  
MILLER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEETING AGENDA, MINISTERIAL MEETINGS, AIRLINES, JOINT VENTURES, ORGANIZATION & MANAGEMENT, MEETING REPORTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 07 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PORTO00313  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750045-0668  
**From:** PORT OF SPAIN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750262/aaaacduf.tel  
**Line Count:** 89  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 BRIDGETOWN 126, 75 POS 206  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 SEP 2003 by BoyleJA>; APPROVED <18 DEC 2003 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** LIAT: TRINIDAD MEETING INCONCLUSIVE  
**TAGS:** EAIR, TD, XL, CDB, LIAT  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006